

3-12-2015

# Urban health and the history of public hospitals in the U.S.

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## Recommended Citation

Ross, Will, "Urban health and the history of public hospitals in the U.S." (2015). *Presentations*. Paper 2.  
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# URBAN HEALTH AND THE HISTORY OF PUBLIC HOSPITALS IN THE US

*44<sup>th</sup> Historia Medica Lecture*

Will Ross, MD, MPH

Professor of Medicine, Renal Division

Associate Dean for Diversity

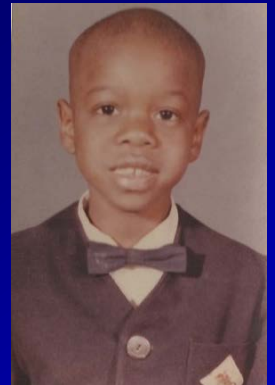
Washington University School of Medicine

March 12, 2015

# Lecture Goals

- ▣ Outline critical periods in the growth of public hospitals in the US.
- ▣ Highlight the expanded role of public hospitals as they embrace public health functions.
- ▣ Review how the unique socio-political climate in St. Louis contributed to health disparities and how public hospitals responded.
- ▣ The fate of urban communities and public hospitals in the 21st century.

# John Gaston General Hospital, Memphis Tennessee 1936-1990



Patient WRR, known frequent flyer, 1963



*Science without conscience is the  
soul's perdition.*

—François Rabelais, *Pantagruel*



Physician at the Hôtel-Dieu in 1532  
[www.babelio.com](http://www.babelio.com)



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# Bellevue Hospital, New York, founded on March 31, 1736



[www.sotawall.com](http://www.sotawall.com)

<https://ephemeralnewyork.wordpress.com/2014/02/17/a-surprising-relic-inside-bellevue-hospitals-lobby/>



## Bellevue Hospital Ambulance, New York Times, 1895.JPG





# Charity Hospital, New Orleans, Founded 1736





Grady Hospital, Atlanta, fifth-largest public hospital in the US, founded 1896



# Public Health Integration into Public Hospitals

- 1798 - President John Adams signed into law the “Act for the Relief of Sick and Disabled Seamen.” The Act led to the gradual creation of a network of marine hospitals along the coastal and inland waterways.
- 1878 - The task of controlling epidemic diseases such as smallpox, cholera, and polio fell to the Marine Hospital Service
- 1902 - The Marine Hospital Service expanded to the Public Health and Marine Hospital Service, where staff played a larger role in preventing disease from entering and spreading across the country.
- 1936 – Surgeon General Thomas Parran expanded the role of public health in public hospitals. He established the Communicable Disease Center (later called the Center for Disease Control and Prevention) and participated in the planning of the World Health Organization.
- 1946 - The Hill-Burton Act, which sought to promote hospital modernization, provided government grants to non-profit hospitals. In exchange for these grants, Hill-Burton required non-profit hospitals to provide charity care or discounted care for those who could not afford care at regular costs.



John Adams, Second  
U.S. President



Marine Hospital in Charleston,  
South Carolina, built in 1833



Venereal disease treatment, Marine  
Hospital New Orleans 1942

<http://commons.wikimedia.org/wiki/File:WPADoctoNursePatientNOLA.jpg#mediaviewer/File:WPADoctoNursePatientNOLA.jpg>



# A Brief History of Public Hospitals in the United States

**1860-1930:**

Emergence of Modern Public Hospitals



**1930-1964:**

Challenges in a Changing Marketplace



**1965-1980:**

The Advent of Medicaid and Medicare

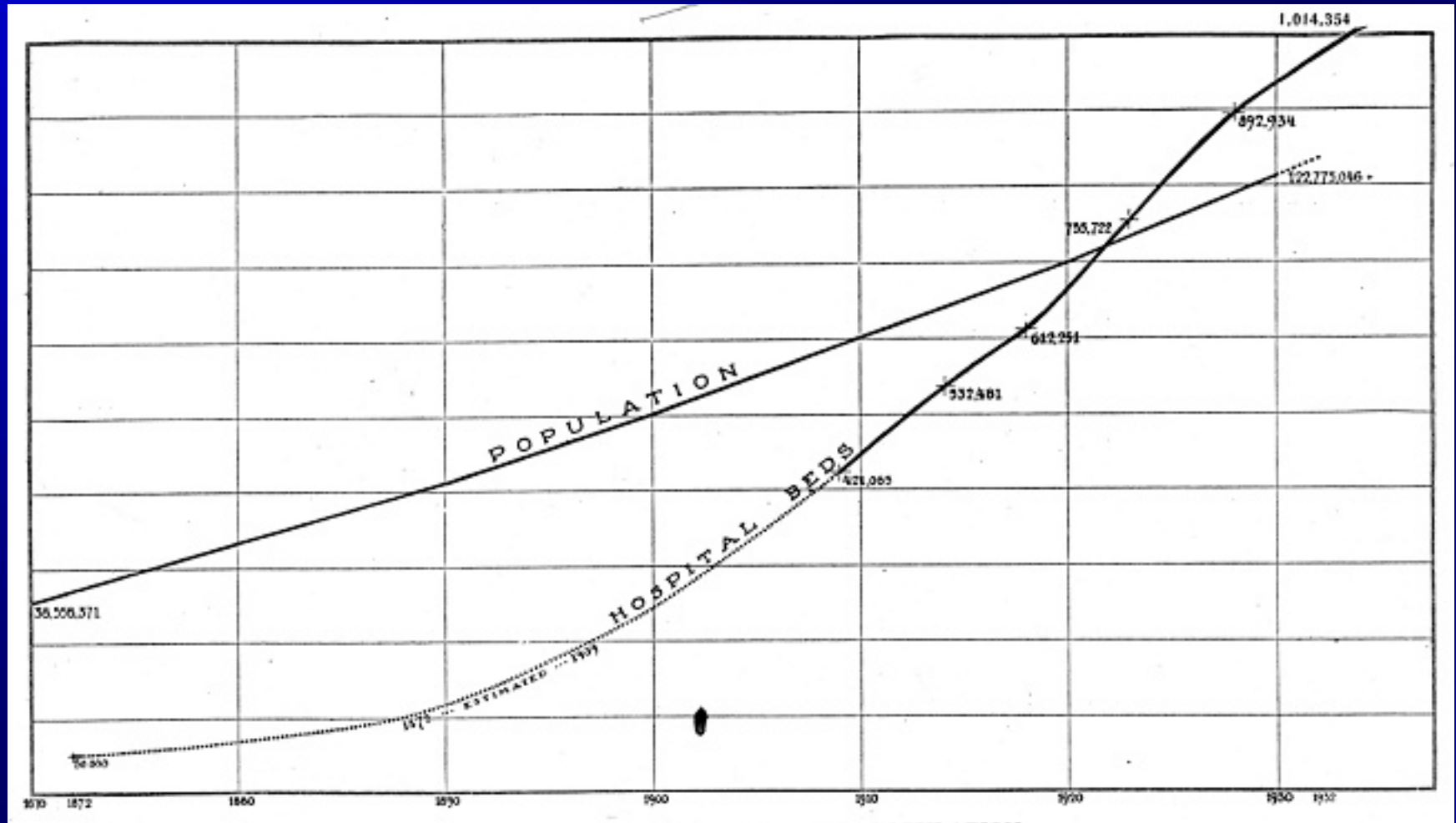


**1980-2005:**

Establishing the Safety Net Hospital



# Hospital Service in the United States: Twelfth Annual Presentation of Hospital Data by the Council on Medical Education and Hospitals of the American Medical Association



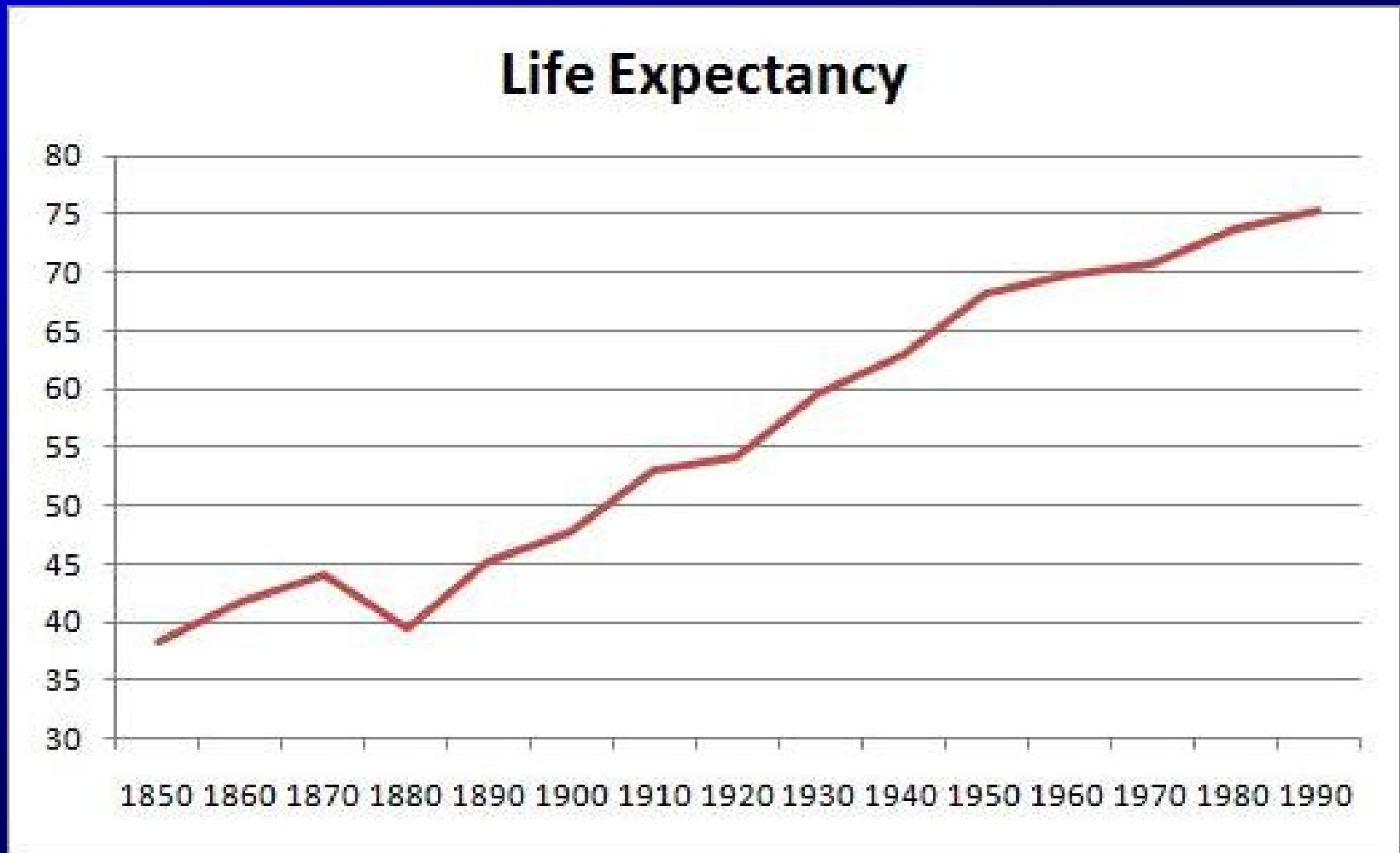


# Public Appropriations Received by Hospitals During 1910

Geographic Division	Number of hospitals reporting	Amount reported in dollars
New England	115	2,236,768
Middle Atlantic	360	9,473,524
East North Central	144	2,450,366
West North Central	64	1,251,896
South Atlantic	99	1,009,641
East South Central	31	398,324
West South Central	17	387,120
Mountain	22	287,805
Pacific	24	410,614

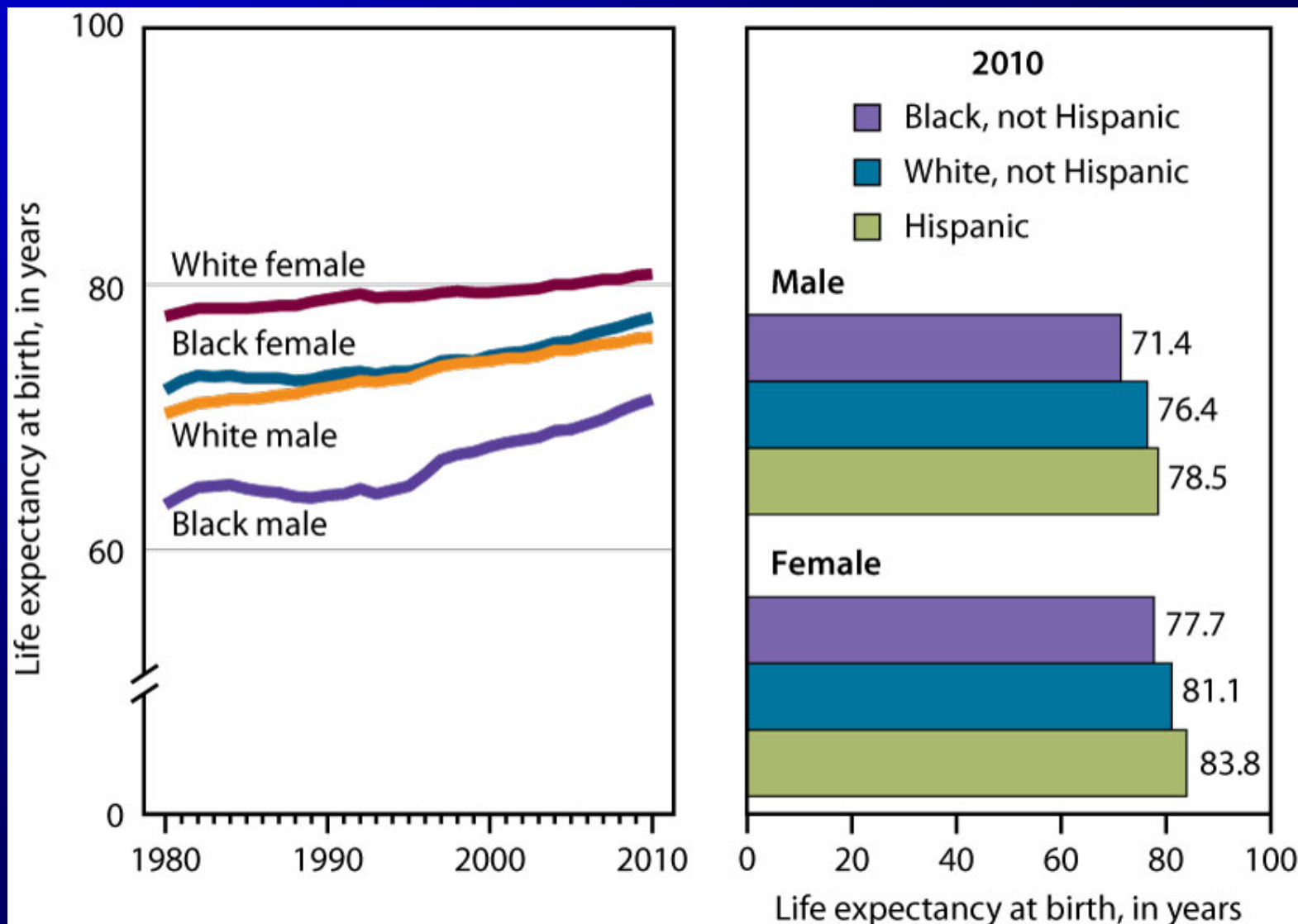
Source: U.S. Bureau of the Census, Benevolent Institutions, 1910 (Washington, D.C.: Government Printing Office, 1913), 73.

# Life Expectancy in the US





# Life expectancy at birth by gender and race



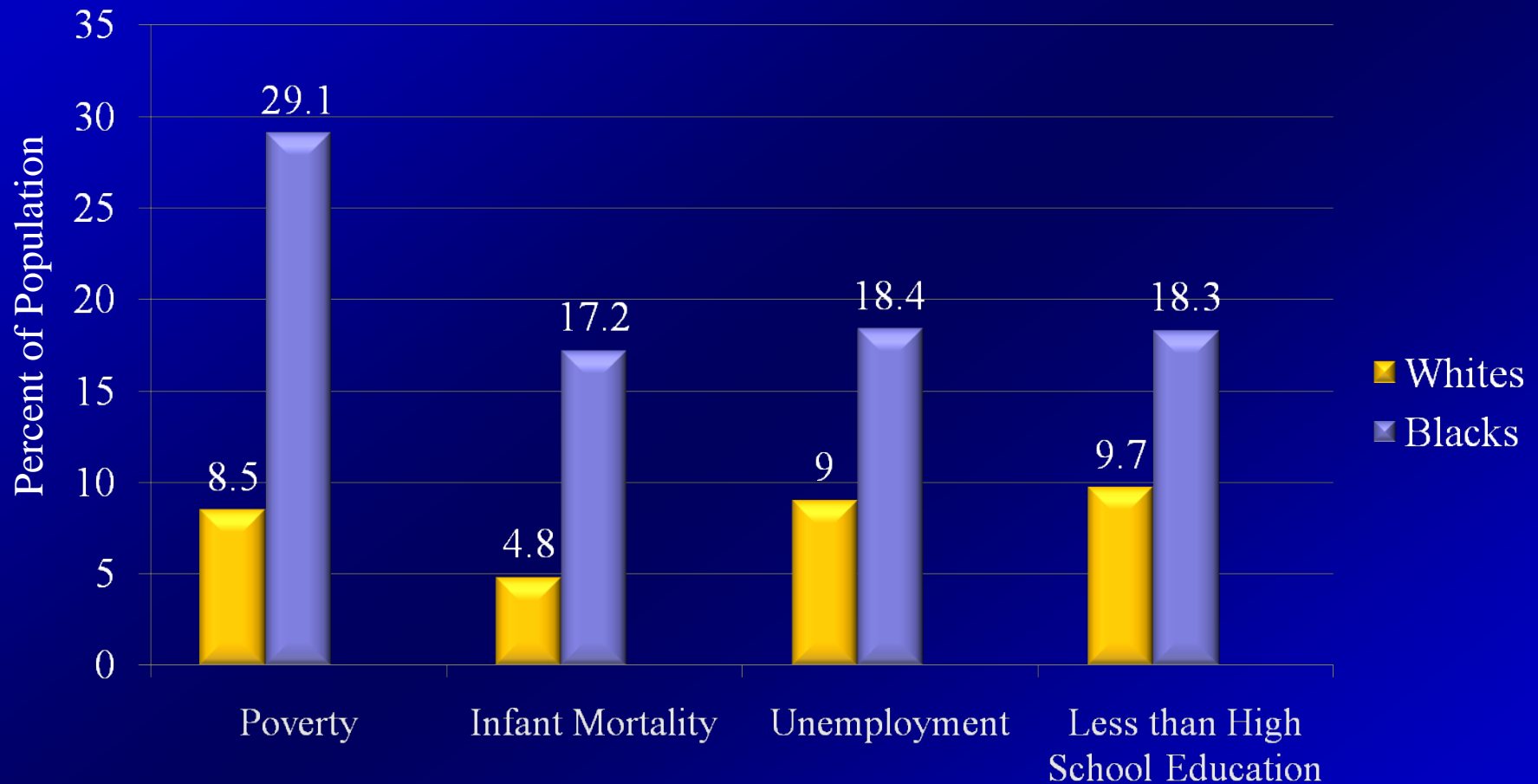
SOURCE: CDC/NCHS, Health, United States, 2013, Figure 1. Data from the National Vital Statistics System.

# Inner City Life, U.S.





# Racial Disparity in the St. Louis Region



Where We Stand: The Strategic Assessment of the St. Louis Region. East-West Gateway Council 2011.  
<http://www.ewgateway.org/pdf/files/library/wws/wws2011.pdf>.

Local public hospitals have long served as medical providers of last resort for the uninsured poor, anchoring the safety net that provides access for the disadvantaged, especially in large urban areas.

1. Lipson, Debra J., and Naomi Naierman. 1996. "Effects of Health System Changes on Safety Net Providers. *Health Affairs* 15 (2): 33–47
2. Kassirer, Jerome P. 1995. "Our Ailing Public Hospitals—Cure Them or Close Them?" *N Engl J Med* 333 (20): 1348–49.

# The Role of US Public Hospitals in Urban Health

Table 1

Sample of Large Safety-Net (Public) Hospitals in U.S. Urban Communities, 2001\*

Hospital	No. of Discharges	No. of Births	No. of Outpatient and Emergency Department Visits
Average NAPH hospital	17,260	2,692	346,141
Parkland Health & Hospital System	42,426	16,353	993,416
San Francisco General Hospital	16,496	1,279	711,087
Jackson Memorial Hospital	57,011	8,620	558,715
Los Angeles County—University of Southern California Healthcare Network	44,559	2,113	692,444
Denver Health	16,365	3,639	746,350
NYCHHC—Elmhurst Hospital Center	23,086	4,811	680,145
NYCHHC—Kings County Hospital Center	25,043	2,265	704,283
John H. Stroger Jr. Hospital of Cook County	24,286	1,240	1,060,028
Grady Health System	29,728	4,449	802,813

\*Data obtained from Singer I, Davison L, Fagnani L. America's Safety Net Hospitals and Health Systems, 2001. Results of the 2001 Annual NAPH Member Survey. National Association of Public Hospitals and Health Systems, September 2003 ([http://www.naph.org/Content/ContentGroups/Publications1/MON\\_2003\\_09\\_characteristics.pdf](http://www.naph.org/Content/ContentGroups/Publications1/MON_2003_09_characteristics.pdf)). Accessed 19 August 2004.

ACADEMIC MEDICINE

Anderson, Ron J.; Boumbulian, Paul J.; Pickens, S Sue. Academic Medicine. 79(12):1162-1168, December 2004.

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## The Role of US Public Hospitals in Urban Health

**Table 2**

**Uncompensated Care as a Percentage of Total Costs for Selected U.S. Hospitals, 2001\***

Hospital	% Uncompensated Care
Average NAPH hospital	24
Parkland Health & Hospital System	40
San Francisco General Hospital	27
Jackson Memorial Hospital	28
Los Angeles County–University of Southern California Healthcare Network	47
Denver Health	41
NYCHHC—Elmhurst Hospital Center	12
NYCHHC—Kings County Hospital Center	13
John H. Stroger Jr. Hospital of Cook County	47
Grady Health System	44

\*Uncompensated care is the combined cost of outstanding bad debt (services the patient has been obligated to pay but has not paid) and charity care (services provided to those who are income eligible and not expected to pay). Data obtained from Singer I, Davison L, Fagnani L. America's Safety Net Hospitals and Health Systems, 2001. Results of the 2001 Annual NAPH Member Survey. National Association of Public Hospitals and Health Systems, September 2003 ([http://www.naph.org/Content/ContentGroups/Publications1/MON\\_2003\\_09\\_characteristics.pdf](http://www.naph.org/Content/ContentGroups/Publications1/MON_2003_09_characteristics.pdf)). Accessed 19 August 2004.

ACADEMIC MEDICINE

# PUBLIC HOSPITALS:

The Saint Louis Experience

“Will it vouchsafe to the pauper a medical care equivalent to that which his pecuniarily more fortunate fellow citizens receive? Will it fulfill to the utmost its function of providing instruction in practical medicine to the undergraduate student? And will our hospital be thoroughly in accord with the spirit of medical enlightenment?”

Dr. John Green,  
President of the St. Louis Medical Society  
Presidential Report, St. Louis Medical Review  
On the opening of City Hospital #1  
January 14, 1905



## Plessy vs. Ferguson was Law of the Land



*Elliott Erwitt (B. 1928) North Carolina, 1950 (segregation fountain)*

*Source: wikipedia.org*



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## City Hospital Number 1, Postcard from 1906





The various nursing organizations of the City were mobilized ... in furnishing nursing relief to indigent persons in their homes ... A staff of approximately forty nurses were employed as long as needed, and much relief was afforded in families stricken with influenza ... The Department furnished physicians subject to call of nurses for medical care of patients where private physicians were not obtainable.



The Motor Corps of St. Louis chapter of the American Red Cross on ambulance duty during the influenza epidemic, October 1918.

<http://www.influenzaarchive.org/cities/city-stlouis.html>

**Dr. Max C. Starkloff, Commissioner of Health and Hospitals, St. Louis 1919**



# 1918 St. Louis Flu Epidemic

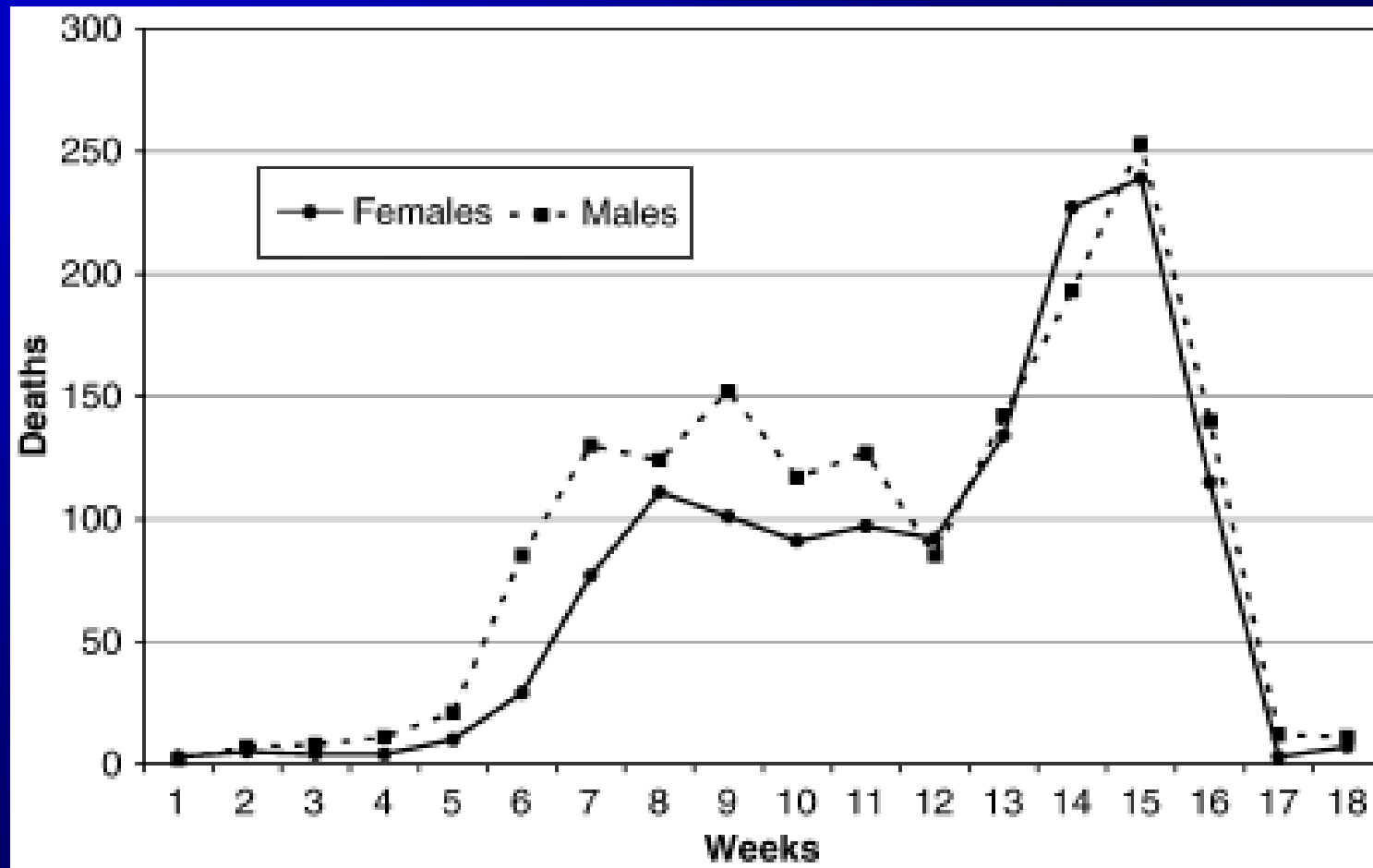


Figure 1. Deaths from influenza and pneumonia by week of epidemic in St. Louis, Missouri, 1918. From Starkloff (1919). *Annual Report of the Division of Health of the Department of Public Welfare, City of St. Louis for the fiscal year 1918–1919*. St. Louis, MO: City of St. Louis. Kalnins, Irene, The Spanish Influenza of 1918 in St. Louis, Missouri. *Public Health Nursing* 23 (5), 479-483.

## St. Louis City, circa 1920



# 1917 East St. Louis Race Riots – Local and National Impact



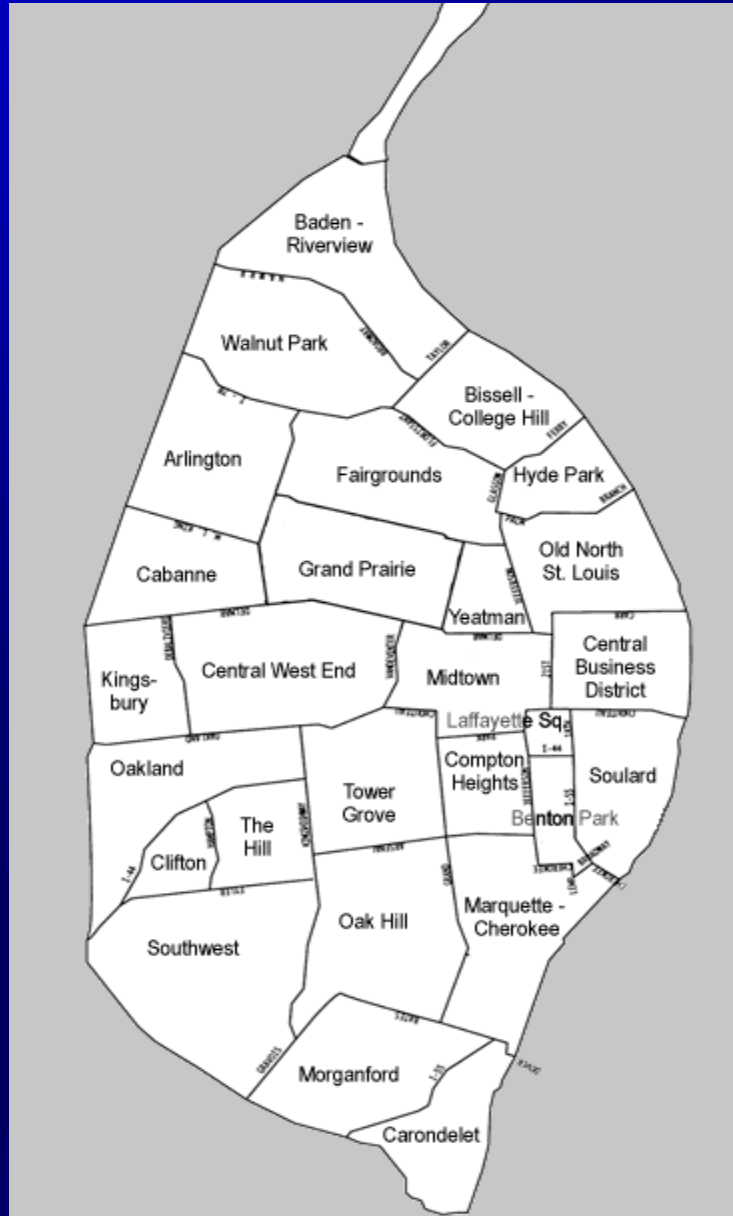
Mob Stopping Street Car, East St. Louis Riot, July 2, 1917



# Restrictive Covenants

- United Welfare Association formed to promote segregation as a preventive against black incursions into white neighborhoods
- Approved by the voters, 52,210 to 17,877 on February 29, 1916
- Next year such statutes were declared to be unconstitutional by the United States Supreme Court
- The segregation practice was still carried on through individual property covenants, which were not outlawed until 1949

# Restrictive Covenants and Saint Louis City Neighborhoods



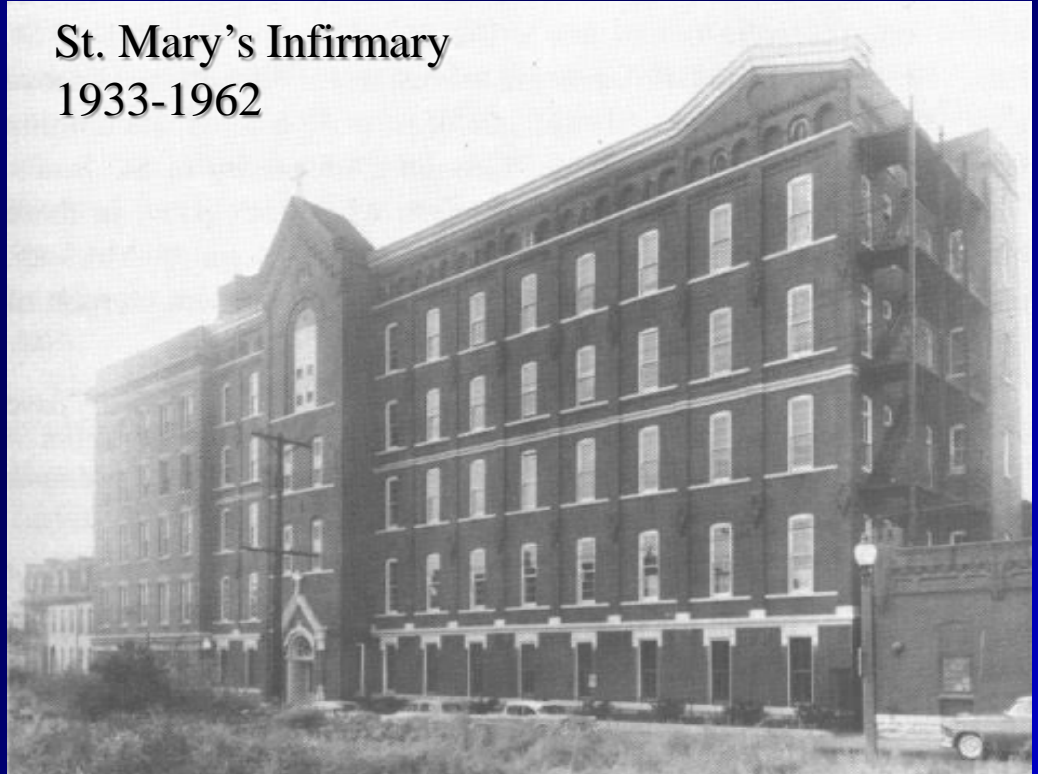
# Private, Racially Integrated Hospitals in St. Louis

**THE PEOPLES HOSPITAL**  
1894 — 1952



Photo courtesy of Dr. Frank O. Richards

**St. Mary's Infirmary**  
1933-1962



St. Mary's Infirmary, 1536 Papin St. Courtesy of Archives,  
Sisters of Saint Mary, St. Louis



# Barnes Hospital, circa 1915



## St. Louis City Hospital Number 2, 1919



Organ CH. A Century of Black Surgeons: The USA Experience. Kosiba MM ed. Transcription Press, 1<sup>st</sup> edition.

March 1987



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## Attorney Homer Gilliam Phillips, 1880-1931



Organ CH. A Century of Black Surgeons: The USA Experience. Kosiba MM ed.  
Transcription Press, 1<sup>st</sup> edition. 1987



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## Homer G. Phillips Hospital, 1937

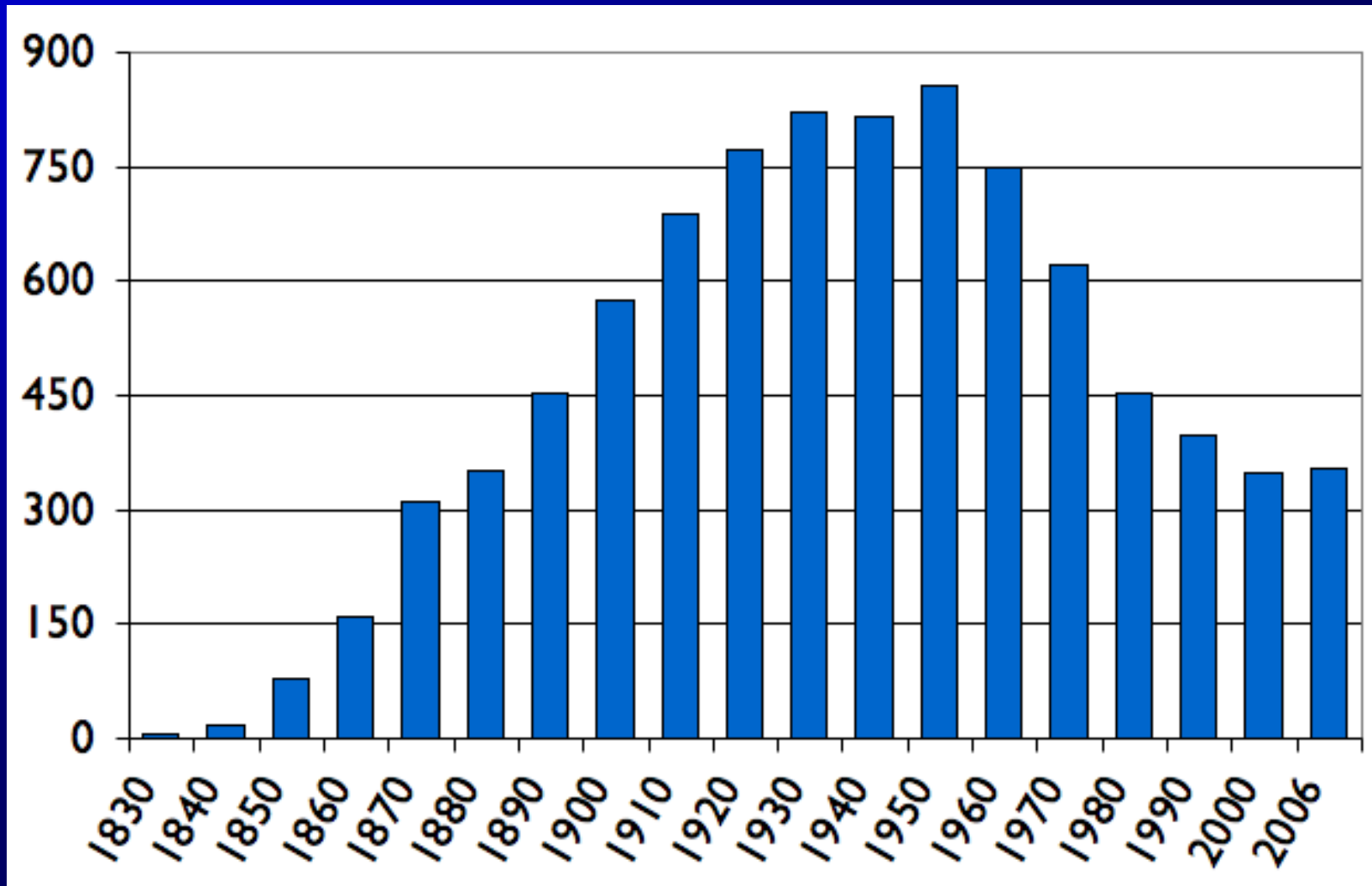


Organ CH. A Century of Black Surgeons: The USA Experience. Kosiba MM ed. Transcription Press, 1<sup>st</sup> edition.  
March 1987



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# St. Louis City Population





Black Physicians in the Jim Crow South. Thomas J. Ward.  
University of Arkansas Press. 2010



Organ CH. A Century of Black Surgeons: The USA Experience. Kosiba MM ed. Transcription Press, 1<sup>st</sup> edition. 1987



# Dr. Andrew Spencer, Chief of Surgery Homer G. Phillips Hospital



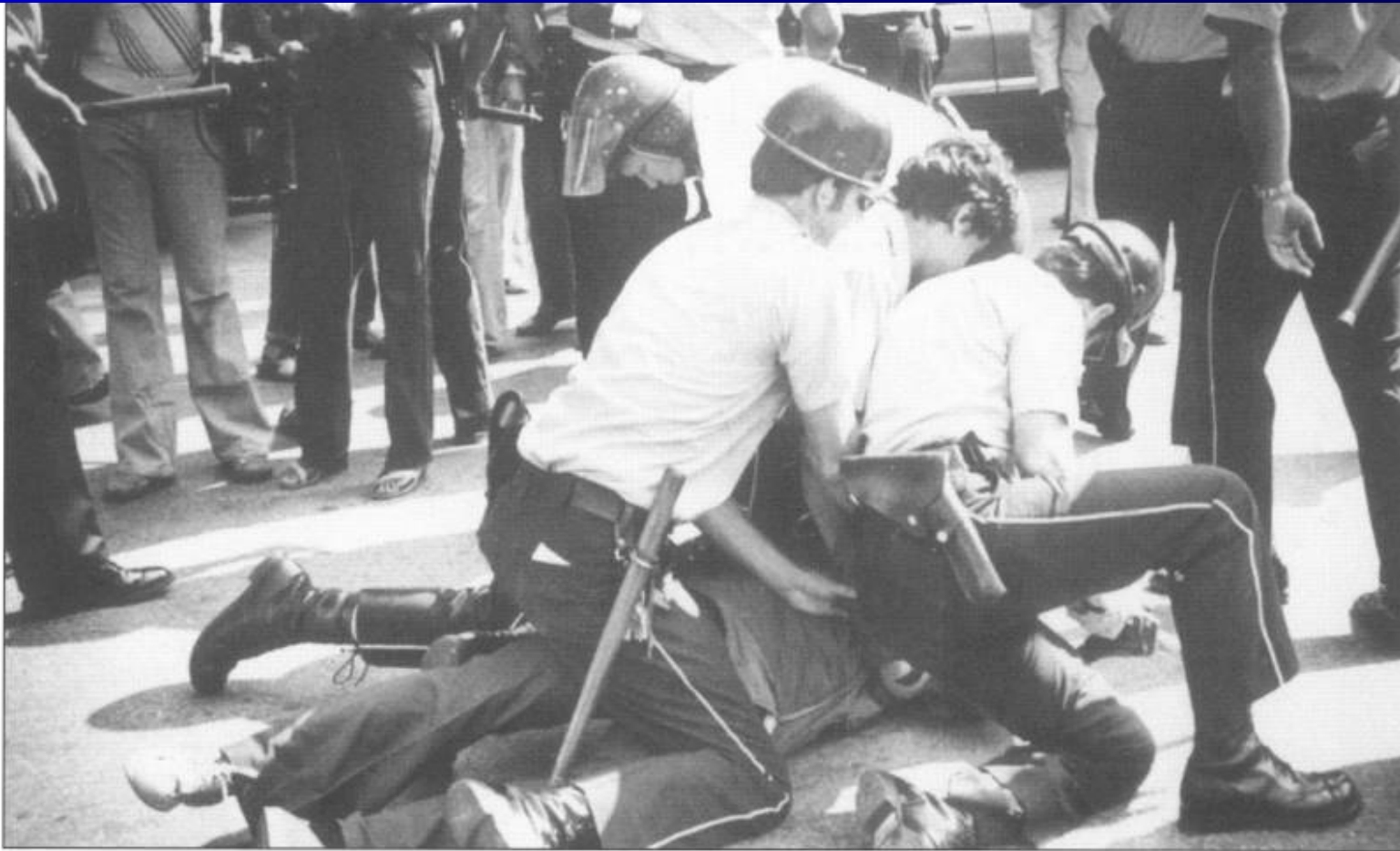
Organ CH. A Century of Black Surgeons: The USA Experience. Kosiba MM ed. Transcription Press, 1<sup>st</sup> edition. 1987



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## Public Responds to Closure of Homer G. Phillips Hospital, 1979



In 1973, St. Louis commissioned two separate audits of the city hospital. Both recommended closing City Hospital No. 1 and retaining Homer G. Phillips. However, in 1979, Homer G. Phillips closed its doors. As it can be seen from this picture the closing did not go down easily in the community. Several hundred police officers were needed to keep the peace as the last patients were removed. (Photo courtesy of the Mercantile Library.)



## 1960-1980: Public Hospitals Gasping for Air

- ▣ Consumer price index rose by 300%, while per diem cost of hospitals rose by 900%
- ▣ Commission on Public General Hospitals created in 1976, goal to stabilize public hospitals, now called safety net hospitals
- ▣ National Association of Public Hospitals established in 1980 as an umbrella organization group
- ▣ The Medicaid DSH payment adjustment was born in a clause in the Omnibus Budget Reconciliation Act of 1981 that required state Medicaid agencies to make allowances when determining reimbursement rates for hospitals that served a disproportionate number of Medicaid or low-income patients.

1. <http://essentialhospitals.org/about-americas-essential-hospitals/history-of-public-hospitals-in-the-united-states/establishing-the-safety-net-hospital-1980-2005/>

2. Lynne Fagnani and Jennifer Tolbert. The Dependence of Safety Net Hospitals and Health Systems on the Medicare and Medicaid Disproportionate Share Hospital Payment Programs. National Association of Public Hospitals & Health Systems November 1999



# St. Louis Regional Medical Center, 1985-1997



Old St. Luke's East Hospital



<https://www.stlouis-mo.gov/archive/neighborhood-histories-norbury-wayman/cabanne/hospitals5.htm>



Will Ross, MD Medical Director  
St. Louis Regional Hospital, 1994



**St. Louis Regional  
Medical Center**

5535 Delmar Boulevard  
St. Louis, Missouri 63112  
Telephone (314) 361-1212

SEPTEMBER 11, 1995

Honorable Freeman R. Bosley, Jr.  
Mayor, City of St. Louis  
Room 200 City Hall  
St. Louis, MO 63103

Dear Mayor Bosley:

I was pleased and honored to have the opportunity to discuss issues regarding Regional Hospital in your office. I assure you there is commonality of vision for Regional Medical Center in general and health care delivery in North St. Louis in particular. After our discussion you had asked for information about the plans we have developed that were lauded by our affiliate HMOs. Your staff had also asked questions about the medical outcomes, delivery of services, and accreditation status of Regional Hospital. Knowing how much mail you must go through in a day, I will just summarize some major points and enclose copies of our Quality Performance and Utilization Plans.

**Regional does not have problems with hospital accreditation.** Recently the Hospital's medical record delinquent count rose 10%, related to loss of medical records personnel in the past month and to an influx of new untrained house physicians. That delinquent count has since fallen to levels well below the target number acceptable to Federal regulators. The delinquent count may have been misconstrued as an issue which could jeopardize the hospital's accreditation.

Regional certainly has room for improvement in each of the areas mentioned, but so do all health care facilities preparing for managed care. Mr. Mayor I'm sure there are several other complicated issues weighing on your mind regarding Regional that I simply cannot address. However I can assure you that you can continue to speak confidently to the public that the quality of medical care at Regional Medical Center has been and will continue to be outstanding. Again, thank you for your support.

Sincerely,

Will Ross, M.D.

	<u>Regional Hospital</u>	vs	<u>The Peer Group</u>
A) Discharges	1,247		1,030 to 8,184
B) Length of Stay	7.3 days		6.9 to 7.9 days
C) Deaths	5.9%		4.6% to 7.1%
D) Complications	3.0%		3.3% to 6.5%
E) No Complications	91.1%		88% to 91.4%
F) Case Reimbursement	\$7,711		\$6,532 to \$8,019
G) Per Case Cost	\$5,175		\$6,671 to \$7,839
H) Per Case Profit (Loss)	\$2,536		(\$952) to \$771

“Regional Hospital’s per case cost was \$5,175, compared to \$6,671 to \$7,839 at peer institutions, despite Regional having quality metrics that were equal to or better than the peer group.”

Will Ross, MD  
Medical Director  
September 11, 1995



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# Quo Vadis?

The fate of urban  
communities and public  
hospitals in the 21<sup>st</sup> century



# Transition Years ~ 1979-2015

- 1979 - Homer G. Phillips hospital closes – patients are moved to City No. 1 in south St. Louis.
- 1985 – St. Louis City and County partner to open St. Louis Regional Medical Center. City No. 1 and St. Louis County Hospital close.
- 1995 – Medicaid managed care provides insurance for pregnant women and children.
- 1997 – St. Louis Regional closes, St. Louis Connect-care established
- 2001 – Regional Health Commission established
- 2013 – St. Louis Connect-Care closes

Lesson Number 1:

# DECADE REVIEW OF HEALTH STATUS

for St. Louis City and County 2000-2010

an update to *Building a Healthier St. Louis*

- Heart disease mortality fell 29% in the region
- Diabetes mortality rates declined 24%
- Stroke mortality rates fell by 30%
- Lead poisoning plummeted from 31% to 3%
- Sexually transmitted infections rose by 26%
- Homicides increased by 18%



# Hurricane Katrina, New Orleans, 2005



Lee Celano for The New York Times, Tuesday November 6<sup>th</sup>, 2007



# Opportunities Post-Katrina



- ▣ The widespread devastation of Hurricane Katrina gravely impacted healthcare infrastructure across the continuum of care in New Orleans. These challenges with the city's healthcare infrastructure also gave way to unprecedented opportunity to redesign a major American health sector from the ground up (New Orleans Community Health Improvement Report 2013).
- ▣ Ending one of the longest-running disputes left by Hurricane Katrina, in 2010 a federal arbitration panel ruled Wednesday that Louisiana would receive \$474.8 million — nearly all it had requested — to pay for the replacement of Charity Hospital in New Orleans.
- ▣ Using surveys of clinic leaders and administrative data, Rittenhouse et al. found that clinics made substantial progress in implementing new clinical processes to improve access, quality and safety, and care coordination and integration in their overall transformation to medical homes.

1. Berggren RE, Curiel TJ. "After the Storm: Health Care Infrastructure in Post-Katrina New Orleans," *New England Journal of Medicine* 354, no. 15 (2006): 1549–52;
2. Karen B. DeSalvo, James Moises, and Joseph Uddo, "The Nine O' Clock Meeting," *Health Affairs* 25, no. 2 (2006): 483.
3. Rittenhouse DR, Schimdt LA, Wu KJ, Wiley J. The Post-Katrina Conversion of Clinics in New Orleans to Medical Homes Shows Change is Possible, But Hard to Sustain. *Health Affairs* 2012 Aug;31(8):1729-38. doi: 10.1371/journal.pone.0022122

Lesson Number 3: “One and a half Detroit teens died each week as a result of gun violence from 2008–2010”



Source: State of the Detroit Child, Data Driven Detroit, 2012



# Henry Ford Hospital, 2011 Malcolm Baldrige National Quality Award Winner: Quality Under Duress



"HenryFordHospitaldetroit" by Mikerussell at en.wikipedia. Licensed under CC BY-SA 3.0 via Wikimedia Commons - <http://commons.wikimedia.org/wiki/File:HenryFordHospitaldetroit.jpg#mediaviewer/File:HenryFordHospitaldetroit.jpg>



**Table 1: Frequency of Priority Health Need from AAMC-member hospitals; Community Health Needs Assessment, 2014**

<b>Prioritized Health Need</b>	<b>Percentage/n (total n=113)</b>
Access to Medical Care	93% (105)
Mental Health	81% (91)
Obesity	70% (79)
Social Determinants of Health	67% (76)
Substance Abuse	61% (69)
Physical Activity and Nutrition	58% (66)
Health Insurance Coverage	58% (66)
Cardiovascular Disease and Hypertension	57% (64)
Diabetes	44% (50)
Oral Health	33% (39)

# Summary:

## Public Hospitals are Essential Hospitals

- They provide 17 percent of all uncompensated care nationally, or about \$7.7 billion dollars
- Care for a racially and ethnically diverse population, more than half uninsured or in Medicaid
- Operate nearly one-third of all level I trauma centers and psychiatric care beds, and 38 percent of burn care beds in the nation's 10 most-populous cities
- Receive high marks for patient satisfaction and quality, including for delivering all recommended care for heart attack and heart failure patients



“As the practice of medicine is not a business and can never be one, the education of the heart - the moral side of man-must keep pace with the education of the head”

Sir William Osler  
Aequanimitas